

NOTICE OF  
PROPOSED RULE AMENDMENT

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Division of Administrative Rules.

Agency Information

1. Agency: Insurance - Administration  
Room no.: 3110  
Building: STATE OFFICE BLDG  
Street address 1: 450 N MAIN ST  
Street address 2:  
City, state, zip: SALT LAKE CITY UT 84114-1201  
Mailing address 1: PO BOX 146901  
Mailing address 2:  
City, state, zip: SALT LAKE CITY UT 84114-6901

Contact person(s):

Name:	Phone:	Fax:	E-mail:
Jilene Whitby	801-538-3803	801-538-3829	jwhitby@utah.gov

(Interested persons may inspect this filing at the above address or at DAR during business hours)

Rule Information

DAR file no: 34709 Date filed: 04/20/2011 04:44 PM  
State Admin Rule Filing Key: 150929  
Utah Admin. Code ref. (R no.): R 590 - 246 - 4  
Changed to Admin. Code ref. (R no.): - -

Title

2. Title of rule or section (catchline):  
Initial and Renewal Licensing Process.

Notice Type

3. Type of notice: Amendment

Rule Purpose

4. Purpose of the rule or reason for the change:

There are two reasons for the change of this rule. First, to correct a date that would require anyone obtaining a new license after May 4, 2008 to pay the cost of a new license everytime they renewed their license. The second change provides a more direct website url to the department for professional employer organizations (PEO) information and forms.

Response Information

5. This change is a response to comments by the Administrative Rules Review Committee.  
No

Rule Summary

6. Summary of the rule or change:

Subsection (2) provides the date renewal license applications are due each year. Subsection (3) eliminates the reference to PEOs that are registered with the Department of Commerce prior to May 4, 2008 when their license is being renewed. New wording instructs PEOs on how to file and pay for initial and renewal fees and applications. In four different places in Section 4 the department's website url has been made more specific.

Aggregate Cost Information

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: No

The changes to this rule will have no impact on the department or state's budget or workload. The changes follow the procedures being followed by the department. The current wording in Subsection (3) requires any PEO not registered with the Department of Commerce prior to May 4, 2008 to be issued a new license, even at renewal. The cost of a new license is \$2,000 and the cost of a renewal license is \$1,000. This original wording was to assist in the transition from the Department of Commerce registering PEOs to the Insurance Department licensing them. The wording is no longer needed and is being eliminated. Since the department has never charged a renewal license at the rate of an initial license fee, this change will have no impact on department or state revenues.

B) Local government:

Affected: No

This rule has no fiscal effect on local governments. The rule deals solely with the relationship between the department and its licensees. In this case the licensee is the professional employer organization.

C) Small businesses:

Affected: No

("small business" means a business employing fewer than 50 persons)

There will be no fiscal impact on small businesses since the changes being made to this rule mirror the licensing procedures the department has already been following since they began licensing PEOs.

D) Persons other than small businesses, businesses, or local government entities:

Affected: No

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

There will be no fiscal impact on individuals, large businesses or local governments since the changes being made to this rule follow the intent of the rule and the current department renewal procedures and fees.

Compliance Cost Information

8. Compliance costs for affected persons:

There will be no fiscal impact on affected persons since the changes being made follow the intent of the rule and the department's renewal procedures and fees.

Department Head Comments

9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

This rule will have no fiscal impact on businesses in Utah. It simply clarifies the intent of the original rule and the licensing procedures of the department in the case of PEOs.

B) Name and title of department head commenting on the fiscal impacts:

Neal T. Gooch, Insurance Commissioner

Citation Information

10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :  
professional employer organization licensing

Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

	Official Title of Materials Incorporated (from title page):
	Publisher:
	Date Issued:
	Issue, or version:
	ISBN Number:
	ISSN Number:
	Cost of Incorporated Reference:
	Adds, updates, removes:

Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

- A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) : 06/14/2011
- B) A public hearing (optional) will be held:  
On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy): 06/21/2011

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Division of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):  
professional employer organization licensing

File Information

15. Attach an RTF document containing the text of this rule change (filename):  
There is a document associated with this rule filing.

To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

Agency Authorization

Agency head or designee, and title: Jilene Whitby Information Specialist Date (mm/dd/yyyy): 04/20/2011